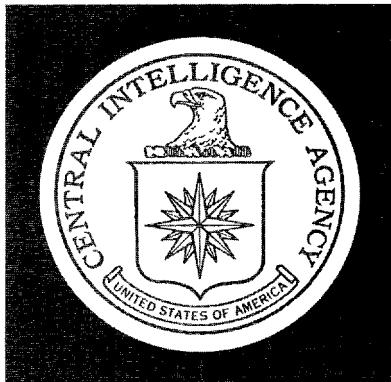


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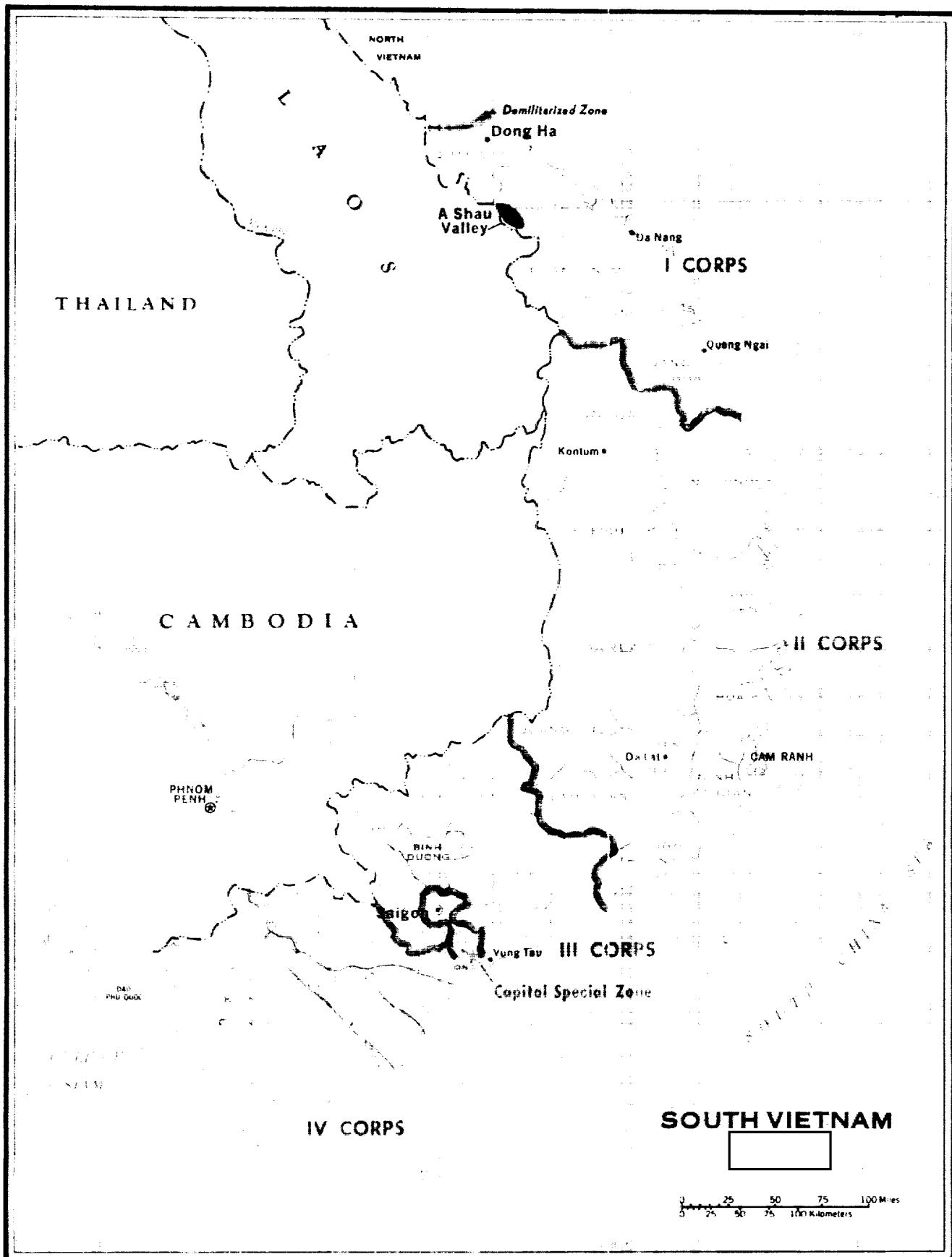
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[South Vietnam: Heavy fighting continued in the northern provinces with two sharp battles just south of the Demilitarized Zone.

The action took place near Dong Ha, the major US supply base in the area and the headquarters of the 3rd Marine Division. It was the third day of fighting in this area. Prisoners captured in these engagements now say they were from the 52nd Regiment of the 320th Division. The prisoners report that the regiment moved south of the zone on 27 April with orders to launch harassing attacks in the Dong Ha area.

In contrast to their aggressive attitude in the northern provinces, Communist forces in the A Shau Valley are offering only moderate resistance to allied operations.

Farther south, Communist units launched three attacks on allied positions just north and west of Saigon, in what may have been an attempt to divert attention from enemy supply and personnel movements toward the Saigon area. One assault was by 300 to 400 Communists against a South Vietnamese Army headquarters in Binh Duong Province. Allied sweeps in this area are uncovering large munitions caches, including large numbers of heavy 122-mm. rockets.

Communist action in the delta was confined to mortar attacks. On 1 May three provincial capitals, seven district towns and a US naval base were shelled, the first action in the delta provinces for nearly three weeks. (Map)]



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South Korea: The terrorist incidents in Seoul on 30 April have spurred greater South Korean security efforts.

South Korean Defense Minister Choe announced yesterday that the armed forces were taking "strong countermeasures" to deal with the growing threat from North Korea. He stated that the number of mobile strike forces was being increased in the expectation of additional North Korean raids on the scale of the attempted attack on the presidential residence last January.

Choe said the grenade attack on the International Telecommunications building and the abortive grenade attacks against two other buildings in Seoul were apparently the work of well-trained Communist agents.

Seoul can be expected to exploit the most recent incidents to answer criticism of pending legislation connected with the establishment of the new regional militia force.

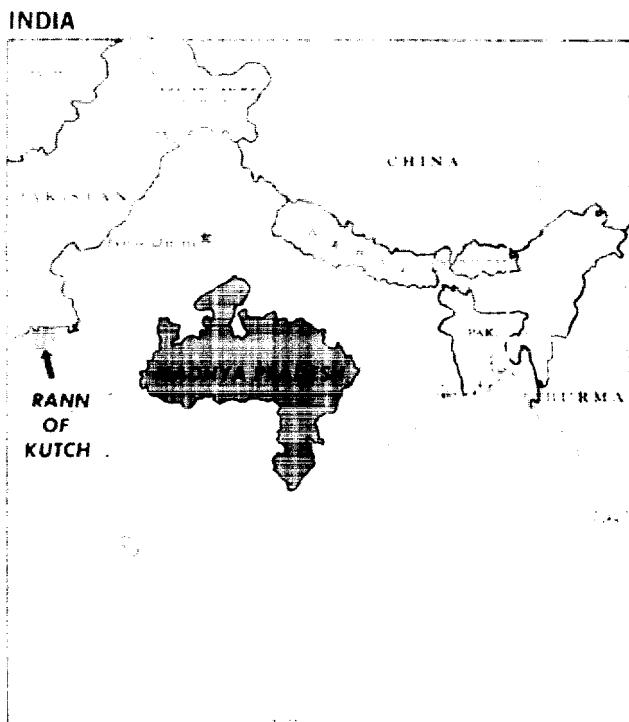
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India: Internal dissension threatens to break up another non - Congress Party coalition government.

The coalition in Madhya Pradesh--a disparate alliance of the Hindu nationalist Jan Sangh party, the increasingly militant Samyukta Socialists, and two groups of Congress Party defectors--is in the midst of a crisis. The coalition has survived two



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attempts by Congress to topple it, but strong political crosscurrents are breaking up its fragile unity.

The current crisis erupted on 26 April when seven Jan Sangh ministers, representing the largest party in the coalition, resigned. The resignations have not been accepted and the Jan Sangh still publicly supports the coalition, but the recalcitrant ministers refuse to return without an overture from the chief minister. In addition, the leader of one group of Congress defectors, the Rajmata of Gwalior, is apparently backing out of her loose alliance with the chief minister, who leads the other ex-Congress faction.

Although the coalition could survive the current problems, it probably will not last much beyond the opening in two or three months of the next session of the state assembly. The local Congress Party unit is in considerable disarray and unable to capitalize fully on the situation.

(Map)

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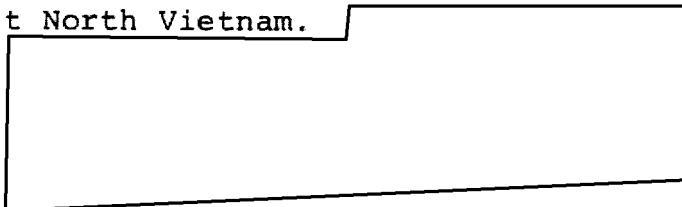
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Sweden: The government reportedly will allow the South Vietnam National Liberation Front to open an information office in Stockholm.

On 30 April, the newspaper Arbetet, which often reflects the views of the ruling Social Democrats, repeated a story first broadcast by Swedish radio on 3 April that such an office would open this summer and that a search is under way for suitable quarters.

Sweden's willingness to allow a Front office is a part of what it says is an effort to "balance" its relations with North and South Vietnam. Last fall, breaking with established practice, the government declined to extend the accreditation of its new ambassador in Bangkok to Saigon as well. Sweden has established unofficial "contacts" with North Vietnam, which it has not recognized, by arranging for Hanoi's ambassador to Moscow to visit Sweden and for its ambassador to Peking to visit North Vietnam.

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Morocco-Egypt: King Hassan's cancellation of a scheduled visit to Cairo will further strain relations between the two countries.

Hassan, trying to promote an Arab summit, had scheduled a short visit with Nasir at the end of state visits to Turkey, Iran, and Saudi Arabia.

Hassan may have cancelled the visit because his talks with Kings Faysal and Husayn may have convinced him that there was no hope of an Arab summit.

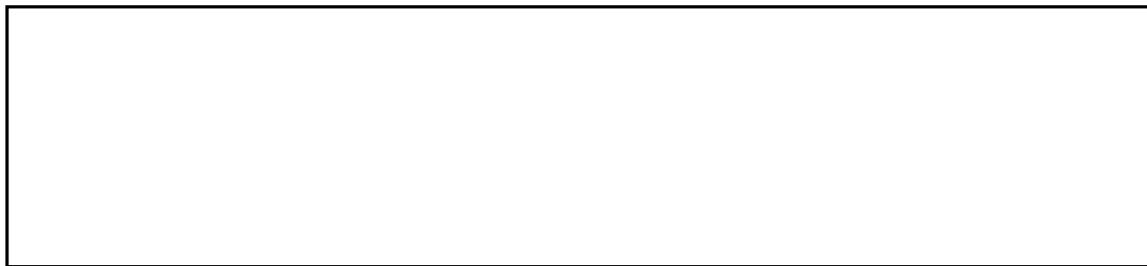
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Panama: [Guard Commandant Vallarino has flatly told supporters of Arnulfo Arias that the government will not allow Arias to win the election on 12 May.]

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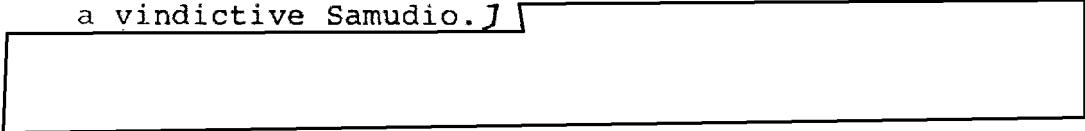


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[Vallarino warned that every government entity, from the Supreme Court down to the precinct, would be working to defeat Arias' National Union. He reportedly stated that the guard, by "suggested intimidation," would discourage voters from casting ballots for Arias and other National Union candidates but would not use force except in self-defense.]

[The elite families who have been supporting Arias are not above bolting the alliance at any time, and Vallarino's warning could trigger such a move. Their overriding concern now will be to protect their privileged economic positions from a vindictive Samudio.]

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Chile: Growing military discontent with President Frei's economic policy comes at a time when labor agitation appears to be increasing.

A report that the government had raised military pay has proved to be only a rumor based on a minor advance in subsistence allowances. A large group of army officers, including students and faculty of two key military institutions, reportedly is threatening to resign en masse because of low pay. Even if they do not carry out this threat, they may be less than enthusiastic about backing police action against labor agitation aimed at influencing congressional action on the wage bill.

[Labor agitation is likely to increase this month since the Communist Party plans to call a series of 24-hour industry-by-industry strikes. These will be in support of the postal and telegraph workers and teachers, who have been striking for more than a month because the proposed wage readjustment bill discriminates against them. Socialist and radical labor leaders had suggested a general strike, but the Communists feared that such action could provoke a serious crisis. The Communists may have trouble restricting unions that they do not control to 24-hour strikes.]

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Jordan-Israel: [redacted]

[redacted] there is a strong possibility that serious internal unrest in Amman will result from demonstrations by various groups protesting the Israeli Independence Day Parade today in Jerusalem. Although the Jordanian officials believe that they could probably control these groups, real trouble could result if the well-armed Arab terrorist groups join them. The terrorists said on 30 April that they would not participate in a demonstration in Amman, but the Jordanian officials are skeptical.]

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Poland: In his May Day address, party leader Gomulka attempted to present a facade of national unity and party stability. He hit hard against the US, Israel, and "international Zionism," but renewed his call for some moderation in the continuing intraparty jockeying for power. Another round of factional struggle nevertheless is probably imminent. It may include additional shifts in key government posts. Student demonstrations anticipated on May Day did not take place.

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Singapore: The government has agreed to take action against owners of Singapore flag ships trading with North Vietnam. The nature of the action was not specified, but government officials indicated they expect shipowners to comply once they have been informed that use of Singapore flag ships in trade with North Vietnam is prohibited. Although Singapore has had a modest trade with North Vietnam, none of the country's ships had been reported involved in this trade until March 1968, when one docked at Haiphong.

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Japan-Congo (Kinshasa): A Japanese consortium plans to spend about \$55 million over the next four years to develop mines for copper and possibly other minerals in the Congo. If implemented as expected, this would be the first substantial foreign investment in the Congo since its independence in 1960.

The project is the latest in a long series of overseas ventures designed to assure Japan a steady supply of raw materials. It will be Japan's largest overseas investment in mining nonferrous metals. The six-company consortium hopes that the project will begin to pay off in 1972 when 42,000 tons of copper will be available to Japan.

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East Germany: East Germany's most prominent dissident intellectual, Professor Robert Havemann, believes that political evolution similar to that in Czechoslovakia could and should take place in every Communist state. He recently told a West Berlin newsman that Communism should not be synonymous with suppression of freedom of expression. Moreover, he criticized East German policy that political opposition can only be expressed before the courts and not in parliamentary meetings.

Havemann has been at odds with the regime since 1964. After repeating his call for parliamentary democracy once too often, he was forced to retire in 1967. Havemann's opinions may be shared by quite a few other intellectuals in East Germany, but the regime has stifled the open circulation of such ideas.

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Brazil: Two key air force generals, the inspector general and the chief of material, are on a hastily arranged visit to France and West Germany, probably to discuss Brazil's plans to acquire new aircraft. One of the generals is a leading proponent of Brazilian acquisition of French-built Mirage supersonic jet fighters. Both France and West Germany reportedly have offered to build plants in Brazil to manufacture noncombat aircraft. Important elements of the Brazilian military are anxious to conclude a jet fighter deal [and may be impatient with the delays encountered obtaining planes from the US.]

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British Honduras: Initial reaction to proposals for independence of the colony indicates an uphill fight for approval. In British Honduras, the opposition National Independence Party flatly rejected the proposals and called for a public referendum. In Guatemala City, two major newspapers called for outright rejection of this "ridiculous" and "absolutely unacceptable" solution. Critical comment included an editorial by the vice president of Guatemala, who also called for rejection of the proposals.

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